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BORIS STERN
Editor

UNITED STATES DEPARTMENT OF LABOR
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U. S. GOVERNMENT PRINTING OFFICE: 1941

Labor and the War Department

By the Honorable ROBERT P. PATTERSON
The Under Secretary of War

The United States today faces a serious threat to its safety, its happiness, and its free institutions.

Organized labor has recognized the imminence of the threat. Organized labor has urged the establishment and maintenance of invulnerable defenses for our Nation. And organized labor is in the forefront of those cooperating to hasten our defensive preparations.

This is as it should be. For organized labor is well aware of what has happened to those nations that failed to make timely preparations for their own defense. It knows that in other countries the secret police and concentration camp have replaced courts of law as the keystone of dictatorial "justice." It knows that conquered peoples can no longer read or listen to the truth. It knows that the very walking and talking of individual citizens have been made matters of close restriction. It knows that thousands on thousands of men have been carted away as chattels to serve virtually as slaves.

Organized labor knows well that when a dictator ushers in "the new order," trade unions are among the first free social institutions to succumb. The right of workers to organize or even to meet unmolested vanishes, along with every other attribute of freedom. Dictatorial fiat replaces collective bargaining in the determination of working conditions. Trade unions are disbanded and destroyed, and their leaders are hustled off to concentration camps.

Knowing these things, organized labor has recognized from the start how great is its stake in protecting the United States from dictatorial aggression. Its record in speeding the national defense program has been outstanding.

The War Department, charged with the procurement of approximately $6,000,000,000 in military supplies, is fully cognizant and deeply appreciative of this fine cooperation. The Army recognizes as an axiom of democratic thinking that the cooperation of labor, given in a spirit of free partnership, is the best possible guaranty of swift, efficient production. The Army realizes that in an hour of emergency, even more than in ordinary times, responsible trade unions are indispensable to the realization of labor's assistance in fulfilling the program of National Defense.

The War Department is making every effort, therefore, to understand the viewpoint of organized labor. This is not a new policy with the War Department. For many years, the Army Industrial College, which studies and plans the industrial efforts necessary to effective defense, has had the privilege of sharing labor's latest thought on economic and social matters. Samuel Gompers, the late president of the American Federation of Labor lectured at the college as long ago as 1924. His successor, William Green, has appeared before the student body, as has also Sidney Hillman, president of the Amalgamated Clothing Workers, labor representative on the National Defense Advisory Commission, and recently appointed Associate Director General of the Office of Production Management. It was, therefore, with a full understanding of the importance of labor's cooperation in the national defense effort that the War Department formulated its industrial policies.

In the first 6 months of the drive to prepare ourselves for all contingencies, the War Department awarded contracts for some $4,700,000,000

to thousands of firms in every part of the country. This has called for the manufacture of items of all descriptions, from airplanes to shoes, from big guns to neckties, from chemicals to bedsheets. It has meant the construction of hundreds upon hundreds of buildings, from army cantonments to huge industrial plants. It has created employment opportunities for thousands upon thousands of persons.

From the outset, the War Department has been fully aware of the economic wisdom and social necessity of preserving current labor standards and conditions. It knows that their preservation will react to the benefit of the entire Nation. It also knows that the maintenance of fair standards means maximum production in the long run.

The War Department, accordingly, has endeavored continuously to maintain labor standards and conditions in every branch of industry with which it deals in conformity with the established national labor policy of this country. During the autumn, the War Department announced, as an integral portion of its policies, that:

> Just and equitable treatment of labor, the maintenance of existing standards for workers on defense projects, and sympathetic understanding by the service of the problems and aspirations of American labor, organized and unorganized, are essential to the success of the defense program.
>
> The overwhelming mass of American workers are intensely patriotic and want to help defend their country. They want to cooperate and they are cooperating. But cooperation must work both ways. Labor standards as to wages, hours of work, and overtime, among others, must be maintained if the defense program is to go effectively forward.

The War Department's policy in these matters follows closely the pattern set up during the World War. It was on June 19, 1917, that Secretary of War Newton D. Baker and Mr. Gompers signed an agreement creating the Cantonment Adjustment Commission, which provided in part, "As basic standards with reference to each cantonment, such commission shall use the union scale of wages, hours, and conditions in force on June 1, 1917, in the locality where such cantonment is situated. Consideration shall be given to special circumstances, if any, arising after said date, which may require particular advances in wages or changes in other standards." This agreement was quickly augmented by a general order issued jointly by the Chief of Ordnance and by the Quartermaster General, providing for a standard 8-hour working day with time and a half for overtime.

In regard to working hours and overtime payments, the present policy of the War Department follows in part the act of September 9, 1940, which requires that laborers and mechanics be paid time and a half for work in excess of 8 hours in any one day. In part, it is also a result of the labor policies announced by the President of the United States on the recommendation of the National Defense Advisory Commission.

As transmitted to Congress by the President, after it had been adopted by the Advisory Commission, this policy said in part:

> In order that surplus and unemployed labor may be absorbed in the defense program, all reasonable efforts should be made to avoid hours in excess of 40 per week. However, in emergencies or where the needs of the national defense cannot otherwise be met, exceptions to this standard should be permitted. When the requirements of the defense program make it necessary to work in excess of these hours, or where work is required on Saturdays, Sundays, or holidays, overtime should be paid in accordance with local recognized practices.

This principle, together with the general principles laid down by the Commission to govern the letting of defense contracts, now guides the supply arms and services of the Army in the award of all War Department contracts. This has meant that all construction work done under contracts entered into after September 27, 1940, as well as work done on all cost-plus-fixed-fee contracts, has been performed along the following lines:

1. Laborers and mechanics employed by a contractor or subcontractor can work more than 8 hours in any 1 day only when the excess time is reimbursed at a rate not less than time and a half.
2. Wage rates of all such employees must be computed on a basic day rate of 8 hours.
3. Work required in excess of 40 hours per week or on Saturdays, Sundays, or holidays must be paid in accordance with locally recognized practices.

Because the "locally recognized practices" vary between different sections, and even between different trades in the same locality, the Quartermaster General has established a procedure for determining them on a basis fair to all concerned. Before work is begun on a contract, the contractor must determine the locally recognized practice for the effective labor area and submit full factual information on it to the Constructing Quartermaster for forwarding to the Quartermaster General. This information includes statements

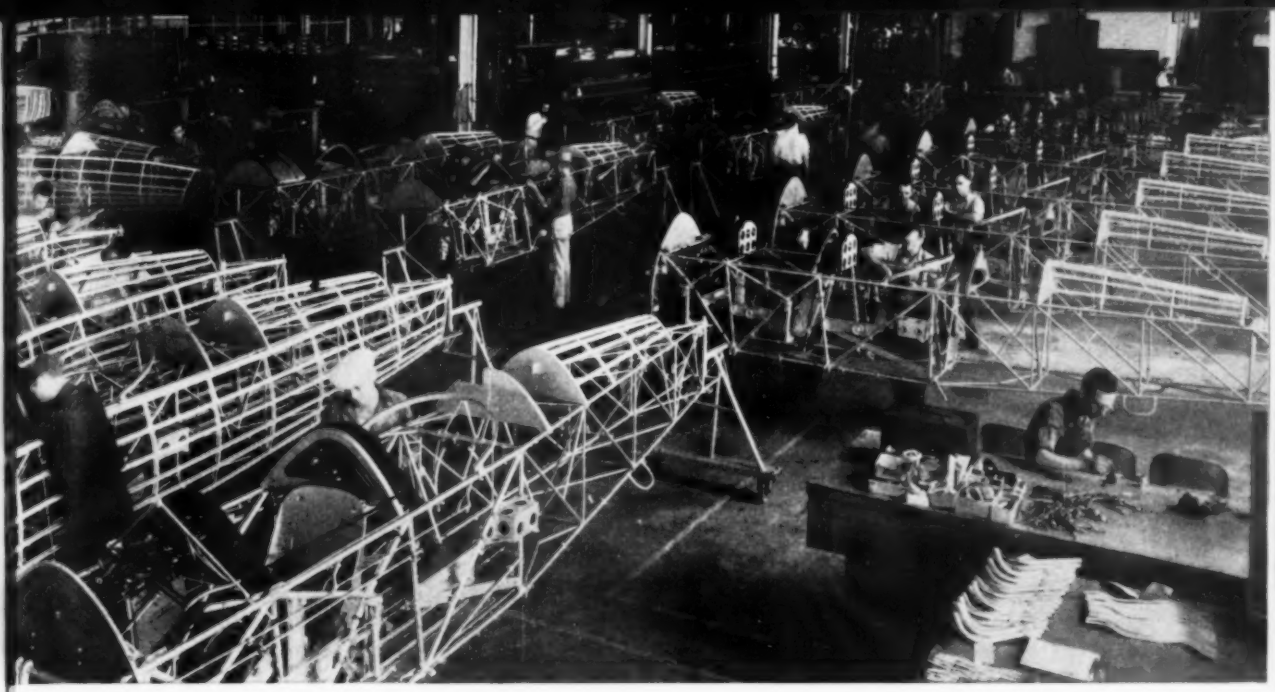


Photo by U. S. Army Air Corps Building Training Planes

from local craft employers' organizations where such groups exist; copies of any agreements between local unions and employers; copies of local union bylaws; statements from individual employers of good standing, and any other facts concerning wage- and working-hour usages.

It was but natural, of course, that some misunderstandings would arise in the initial stages of the construction program. With sectional practices differing greatly, it would have been most unusual had these misunderstandings not occurred. It is a tribute, however, to the representatives of the employees and the employers as well as to the Army officers involved, that these disagreements were so quickly and amicably ironed out.

The great stress which the War Department places upon labor participation in the defense program has induced it to obtain the most expert opinion available to aid it in formulating all policies affecting labor. In all of its dealings with labor, the War Department has been aided greatly by the expert counsel and efficient operations of Mr. Sidney Hillman and his labor division of the National Defense Advisory Commission. The Army has been most fortunate in the full-hearted cooperation it has received not only from this source, but from all of the members of the Advisory Commission on labor and all other matters pertinent to national defense.

The Honorable Edward F. McGrady, former First Assistant Secretary of Labor, serves as Special Consultant to the Secretary of War on labor matters. Mr. McGrady's name has been associated prominently with the organized labor movement in the United States for over 40 years.

From top to bottom, the War Department is giving of its best to make certain that democracy will continue triumphant in this free land. The defense effort has been fortunate in receiving the support and backing of the preponderant majority of American citizens.

We, in the War Department, are convinced that democracy is far too precious a thing to be gambled with by any person or group seeking to capitalize upon the imminence of its perils. Surely such persons and such groups, whether they be of labor or industry, must realize that any temporary gains derived at the expense of a delay in our present preparations are likely to vanish down the drain, along with all of our rights, privileges, and immunities, if they result, directly or indirectly, in a retarding or weakening of our national defense.

Labor and management alike should realize, and in the main they do realize, that in an emergency the national interest is paramount. While the emergency lasts, the wheels of industry must never stop so long as a single military weapon is needed from the production line.

Technology on the Farm

BORIS STERN

Bureau of Labor Statistics

Like the shop and factory, mill and mine, the railroad and other means of transportation, the American farm has been tremendously affected and in numerous instances completely revolutionized by technological developments in the last 20 to 25 years. Agricultural technology has taken the form of machinery and equipment used in producing crops, as well as in the improvement of the soil and in the type of crops and animals raised. On the farm, technology is represented by tractors, combines, and corn pickers. It is involved in the testing and breeding of animals and the conquest of plant and animal diseases. It is expressed in hybrid corn, new kinds of wheat, and soybeans. It is back of the road-building and rural-electrification plans, and of the new methods of marketing and distributing farm products. It is firmly lodged in the barn, grove, field, and in the home of the farmer.

A recent study "Technology on the Farm" by the Bureau of Agricultural Economics of the Department of Agriculture covers the up-to-date development of technology in agriculture and makes a thorough analysis of its effects on the farm population as well as on the social well-being of the Nation as a whole. It also suggests ways and means partly to mitigate some of the social and economic maladjustments which may be directly attributed to the rapid development of technology on the farm. This article presents a brief summary of the material contained in the study.

MECHANIZATION

Striking advances have been made in the use of farm machinery in recent years. The most important of these is the tractor. The heavy, cumbersome machine of former years has given way to the lighter, higher-speed tractor adapted to various uses in the field and on the farm.

An estimated 1,626,000 tractors were in use in the United States in 1939, almost twice as many as were reported in 1930. Three-fourths of all the tractors sold in the United States in 1937 were of the general-purpose type, and it is probable that about 50 percent of all the tractors used on the farm in 1940 were of this type. Many have rubber tires and are constructed for greater speed, wider utility, and more comfortable operation.

The combined harvester-thresher machine is the most important development in harvesting equipment. New types are adapted to harvesting grass seeds, soybeans, and small grains. Less than 5 percent of the wheat crop was harvested with combines in 1920, but approximately 50 percent of the crop was "combined" in 1938. The "baby" combine, introduced in 1935, cuts a swath 5 or 6 feet wide, is driven by a power take-off from the tractor, and can be operated by one man at 4 or 5 miles an hour under favorable conditions.

The "midget" combine, that cuts a 40-inch swath and is operated by one man, came into use in 1939, primarily on small farms. It costs little more than a grain binder, is built for speed in operation, and may give to the small farmer an advantage in harvest costs heretofore held by operators of large farm holdings.

Other important farm machinery includes the mechanical corn picker, which has recently been simplified in design for use on smaller farms, and the cotton picker, which has not yet been sufficiently developed to displace the large amount of hand labor used in cotton picking. Machinery has also been developed and is in use for irrigation purposes, for the spreading of fertilizer, for accurate seed placement, and for the thousand and one little chores formerly done by hand.

No less significant as a technological factor than farm machinery has been the tremendous extension in the use of electric power, both in farming operations and in the homes of the farmer. Scarcely more than 100,000 rural homes received current from electric power lines in 1919, but by June 1940 service had been extended to approximately 2,000,000 farms, or about 29 percent of all farms in the United States.

IMPROVED CROPS

The development of hybrid corn with its additional security against low yields and crop failure has been the outstanding technological achieve-

ment in this most valuable of all farm crops in the United States. In 1933, hybrid corn in the United States was planted on about 40,000 acres. Six years later, hybrid corn was planted on approximately 24,000,000 acres, or roughly one-fourth of the national corn acreage.

The most outstanding characteristic of hybrids is their increased productiveness, resulting in crop increases of from 15 to 30 percent. Another characteristic is their ability to withstand rough handling, especially when mechanical corn pickers are used. Some hybrids resist disease, and several are also somewhat immune to bugs and rootworm.

Improvements in wheat seed have offset the unfavorable situation created by depleted fertility of the land, the increased number of pests, and the extension of production to high-risk areas. Soybean production for seed has grown phenomenally. It is one of the most promising groups of plants from the standpoint of furnishing raw materials for industrial uses.

The soybean was introduced into the United States in 1804, but received little attention for a century. Only 50,000 acres were planted in 1907. The recent rapid increase in the production of soy beans may be attributed largely to development of hybrid-yielding varieties, to improved harvesting equipment, and to new industrial outlets.

BETTER LIVESTOCK

Americans have changed their mode of living. They have new appetites and knowledge of nutrition. Their work has become more sedentary and less physical, permitting them to use food of lower caloric value. Reducing diets have cut the farmer's market for animal fat. Smaller families have meant a smaller demand for large roasts and large turkeys. Hogs and cattle are now bred and fed so they will have more lean meat and less fat.

New knowledge of pests and germs and minerals is widely used in controlling animal diseases. Research in animal feeding is directed toward learning the importance of vitamins, minerals, forage, hay, and silage in rations, and the effects of processing and storage on feeds. Experimental cross-breeding of swine indicates that cross-bred pigs require about 5 percent less feed for the same amount of gain and about 5 percent less time to reach maturity than do purebreds. At the same time they yield better carcasses.

FUTURE DEVELOPMENTS

These few samples are indicative of the major changes in the technique of production and distribution of farm products which have taken place in the last 20 years. Many of the present-day problems in agriculture affecting farm income, the distribution of the farm population, the extent of employment and sharecropping, the migration of agricultural workers, etc., are directly or indirectly connected with these developments.

In some cases, the technological changes on the farm can be foretold and their effects more or less accurately measured. For instance, the direct displacement of farm workers by tractors, particularly when used in large-scale farming, can be established with a degree of certainty. In other cases, the type of technological changes and their effects are far from certain. Many do not occur on the farm proper, and some can be traced to fields that are only remotely related to agriculture.

It is also important to emphasize that technological development in agriculture is bound to continue in the future, perhaps even on a larger scale than in the past. Among the major changes which are reasonably certain to continue are:

1. A continued rapid increase in the use of tractors, especially the small general-purpose tractor with rubber tires.
2. A further use of small combines, corn pickers, and other harvesting and tillage equipment operated with tractors.
3. A rapid extension of rural electrification.
4. A considerable increase in corn production as a result of further use of hybrid seed.
5. Greater acreage of soybeans resulting partly from better seed-yielding varieties, partly from improved methods of harvesting, and partly from the development of new industrial outlets.

EFFECT ON EMPLOYMENT

Technology has been a major factor in the changing proportion of people employed in agricultural and nonagricultural industries. The proportion of agricultural workers in the United States declined from one-half of all the workers in 1870 to about one-fifth in 1930.

Despite the recent slackening in the migration of the population from farms to urban areas, the number of persons actually employed in agriculture continued to decline. The total number of workers

Mechanical cornpicker *FSA photo by Rothstein*

employed on farms in 1938 was 6 percent smaller than the number employed on the average during the period 1924–29.

These changes in the need for farm labor have affected the hired farm hands more than any other agricultural group. Many persons now living on the farm are either completely or partially unemployed. The 1937 census of unemployment reported 705,000 males living on farms as totally unemployed, 376,000 partly employed, and 260,000 engaged in emergency work under W. P. A., C. C. C., etc.

On large farms operated with a flexible supply of hired workers, equipment that reduces the time of performing a job by half may at the same time actually reduce the working force by half. But on the family farms the labor force represented by members of the family need not be greatly reduced by labor-saving equipment. Less additional labor is hired, but the actual reduction in the number of farm workers is considerably smaller than on the large industrialized farms.

The effects of technology on farm labor saving may be illustrated by the following examples: With machinery and power in use in the central winter-wheat areas in 1900, the time needed to prepare the land, seed, harvest with a binder, shock, thresh, and haul wheat to the granary was approximately 8.8 manhours per acre. With the use of a tractor, tractor equipment, and a 12-foot combine, the time for comparable work was reduced to 3.3 manhours per acre. The time required for corn production in the Corn Belt was reduced from 15.1 hours to 6.9 hours an acre. Similar reductions were made in other important crops, although the most striking savings in labor were made in wheat production.

Employment Outlook.—No mechanical developments under way at the present time seem likely to affect the use of labor in the near future so drastically or on such a large scale as did the development in wheat machinery in the 1920's. However, perfection and adoption of the cotton picker or the use of sugar-beet tillage and harvesting machinery would have effects comparable to those resulting from the mechanization of wheat production.

As long as cotton must be picked by hand, the need for harvest labor will prevent the wholesale displacement of cotton workers, although the continuous growth in the use of tractors is bound to reduce the need for many permanent workers in the South. It is not unreasonable to assume that within the next decade the number of tractors used in the South will nearly double, and as a result some 300,000 families now living on farms may be permanently displaced.

The trend to greater mechanization will also continue the present tendency to reduce the labor used on farms and increase the acreage per farm in commercial agricultural areas. It seems likely, therefore, according to Department of Agriculture estimates, that during the next decade at least 350,000 farm workers, or perhaps as many as 500,000, will be displaced by mechanization.

PROBLEM CAN BE SOLVED

As in the case of industry, technology on the farm has come to stay. Inventions and technological progress have been major factors in raising standards of living for all the people, but at the same time they have resulted in considerable social and economic maladjustment which must be corrected if the benefits derived from technology are to be lasting.

The problems created by farm technology are intimately connected with those resulting from technological developments in industry and from economic conditions in the country as a whole. They can therefore be solved only on a national basis. However, the present study by the Department of Agriculture suggests certain specific measures affecting agriculture only, which might help to mitigate some of the difficulties arising from the rapid development of technology on the farm. These measures are not suggested as the only steps that need to be taken, nor is it assumed

that they will in themselves relieve all existing difficulties.

The first step is to develop a conservation works program which will provide immediate relief to those now unemployed and in distress, as well as to the additional numbers who are expected to be displaced by further technological developments. In such a rural conservation works program, the present unemployed and under-employed in agriculture would be put to the productive task of building up our depleted soil, forests, and our water resources.

Another suggestion is to settle or resettle shifting and nonowner farm families on good lands now owned and operated in larger than family-sized units. Still another is to extend cooperative loans, and technical guidance when needed, to groups of operators of family-sized farms, both owners and tenants, for the purchase of purebred sires, mechanical equipment, and like things as a means of bringing the latest, proved benefits of technology to relatively small farms.

Cooperative farming, too, can bring benefits to farm families. It involves more than the cooperative ownership of machines. It includes also operation of the land and cooperative sharing in the returns. A competent manager of cooperative farms can effect more efficient operation than is possible on many individual units. Land and buildings may or may not be jointly owned. If not, a satisfactory arrangement is to keep title to the land and buildings in the hands of a public agency so that the plant can be maintained on a continuous basis.

Displaced Farm Labor.—The hired farm hands have suffered more than any other agricultural group from increased mechanization of agriculture. Their difficulties have been further intensified by drought, by unemployment in the cities, and by other conditions arising from the general depression.

Three remedies are suggested in this study to meet the problem of the displaced farm laborers:

1. *Farm Placement Service.*—It would be the duty of the farm placement service to study and coordinate the amount of seasonal labor required in the various areas and types of work by filling the demand for such labor from among the available workers in other areas. Such a placement service could also enable tenants to find desirable farms and enable landlords to get contacts with suitable tenants.

FSA photo by Locke Threshing machine

2. *Housing.*—Not only should aid be given to facilitate employment of farm laborers, but a well-planned housing program is needed to provide them with adequate living conditions. Camps for migratory workers, although already in operation in several areas, require further development in places where perishable crops afford a short labor season and force laborers to move frequently from area to area. Such camps with adequate shelter and sanitary facilities should be constructed on land either leased or owned by the Government, so as to provide security to residents and to enable the Government to give them such help and guidance as they may need from time to time.

Labor homes should be provided in areas where it is desirable to maintain the peak-season labor supply throughout the year. Such home sites should include sufficient acreage for home gardens, and the raising of poultry and milk cows for home use. The combination of such a program with such seasonal work as may be available should afford the workers in many instances sufficient real income for an improved standard of living.

3. *Labor Legislation.*—The position of the hired farm laborers is in no respect different from that of industrial wage earners in the city. They should therefore be equally protected by wage and hour legislation and should be given the benefits of unemployment and old-age insurance enjoyed by wage earners in the cities. The farm wage earner needs this protection even more than the urban worker. This is particularly true of that large group of migrant seasonal laborers who follow the crops.

Union Wage Rates in the Building Trades, 1940

The level of union wage rates in the building trades on June 1, 1940, was slightly higher than a year earlier. About 79 percent of the workers covered in the annual Bureau of Labor Statistics survey were working under union agreements providing the same hourly rates as in the previous year. One out of every five of the organized workers in the industry had a higher rate of pay, and less than 1 percent of the membership were affected by wage reductions during the year.

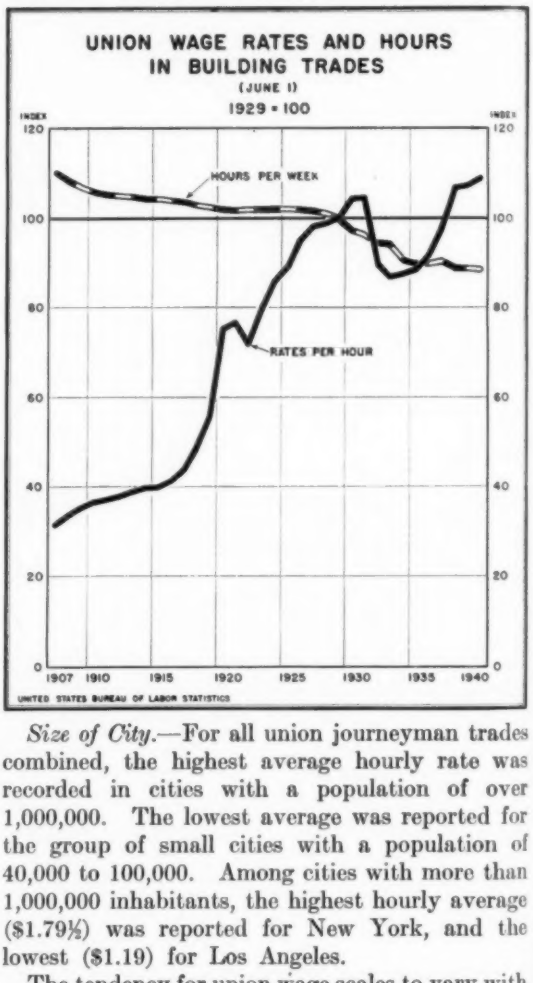
Every trade except granite cutters reported some increases in wage rates during the year. About 40 percent of the journeyman marble setters covered by the survey and over 30 percent of the union bricklayers and composition roofers reported higher wage scales. More than one-fifth of the journeyman carpenters, electricians, elevator constructors, paperhangers, slate and tile roofers, and sheet-metal workers were likewise covered by higher union rates than on June 1, 1939.

Proportionately more union helpers and laborers secured pay increases than did journeymen. More than half of the organized hod carriers and over 30 percent of the marble setters' helpers and plumbers' laborers reported wage-rate increases. Most of the increases to journeymen and helpers and laborers were less than 10 percent. Advances of 10 percent or more were more frequent among the helper and laborer trades.

The highest union rate among the journeyman crafts was reported for bricklayers. Their average rate for all cities surveyed was $1.71 per hour. Plasterers were a close second, with an average of $1.70½. Structural iron workers covered by union agreements averaged $1.61½, and lathers about $1.60. Ten other organized journeyman trades reported averages of $1.50 per hour or higher. Five journeyman trades covered by union agreements had averages below $1.40 an hour. The lowest of these, composition roofers, averaged $1.27½ per hour.

The prescribed union rates varied widely in different cities. The rate for journeymen ranged from 55 cents an hour for glaziers, paperhangers, and a group of painters in Charleston, S. C., to $2.50 per hour for bucket-hoist operators in New York City. About two-thirds of all organized journeymen in the building trades, however, were covered within the range between $1.20 and $1.70 an hour. About 8 percent had scheduled rates of $2 or more per hour.

Union rates for helpers and laborers ranged from 35 cents for building laborers in Charleston, S. C., to about $1.51½ per hour for plasterers' laborers in Brooklyn, N. Y. Less than 10 percent of the organized helpers and laborers reported rates under 60 cents, and about two-thirds were covered by agreements calling for the payment of between 70 cents and $1.20 per hour.



Size of City.—For all union journeyman trades combined, the highest average hourly rate was recorded in cities with a population of over 1,000,000. The lowest average was reported for the group of small cities with a population of 40,000 to 100,000. Among cities with more than 1,000,000 inhabitants, the highest hourly average ($1.79½) was reported for New York, and the lowest ($1.19) for Los Angeles.

The tendency for union wage scales to vary with the size of the city was also noted among the helper and laborer trades. The hourly rate for all organized helpers and laborers in cities with

over 1,000,000 population averaged $1.04½. This was about 38 cents an hour more than the average for cities with a population of 40,000 to 100,000. City-wide average rates in excess of $1 an hour for union helpers and laborers were reported for New York, Chicago, Newark, N. J., and Spokane, Wash. Average union rates of under 50 cents an hour prevailed in seven small cities. Six of these cities were in the South.

Overtime and Sunday Work.—Nearly 70 percent of the building trades journeymen were covered by union agreements prescribing payment of double time for work in excess of the regularly stipulated hours. Almost all the balance were covered by agreements calling for time and one-half for all overtime.

For helpers and laborers the prevailing overtime rate was time and one-half, and more than three-fourths of these workers were protected by such a provision. About 20 percent of the helpers and laborers were covered by union agreements providing double pay for overtime work.

Double time was reported as the stipulated rate of pay for Sunday work for 89 percent of the union journeymen and over 96 percent of union helpers and laborers. Practically all of the remaining organized building-trades workers were protected by provisions requiring the payment of time and one-half for Sunday work.

UNION HOURS

The basic workweek for two-thirds of the total building-trades membership covered by the Bureau's survey was 40 hours. Nearly 20 percent of the workers had a specified 35-hour week, and about 10 percent were covered by union agreements calling for a 30-hour week.

Journeyman plasterers reported the shortest workweek, averaging slightly more than 35 hours for all cities combined. Portable and hoisting engineers, with an average of nearly 41 hours, had the highest workweek. This was due in large part to provisions for a 48-hour week in many of their agreements covering street and road work. Among the helper and learner trades, the range was from slightly less than 36 hours per week for steam and sprinkler fitters' helpers to about 40 hours for building laborers.

Cities with highest average union hourly wage rates for building-trades journeymen

June 1, 1940

New York, N. Y.	$1. 79½
Newark, N. J.	1. 71
Chicago, Ill.	1. 66½
Washington, D. C.	1. 66
Pittsburgh, Pa.	1. 56
St. Louis, Mo.	1. 52
Butte, Mont.	1. 47½
Cleveland, Ohio	1. 44½
Cincinnati, Ohio	1. 44
Toledo, Ohio	1. 43½
Dayton, Ohio	1. 42
Denver, Colo.	1. 42
Boston, Mass.	1. 41½
Kansas City, Mo.	1. 41
Peoria, Ill.	1. 40
Detroit, Mich.	1. 39½
Philadelphia, Pa.	1. 36½
Youngstown, Ohio	1. 36½
Indianapolis, Ind.	1. 36
Rochester, N. Y.	1. 35
Seattle, Wash.	1. 33½
Baltimore, Md.	1. 33
Buffalo, N.Y.	1. 32½
Spokane, Wash.	1. 32
Birmingham, Ala.	1. 32
Minneapolis, Minn.	1. 30½

Union wage rates in selected building-trade occupations

Trade	Average union hourly rate in cities with a population of—				
	Over 1,000,000	500,000 to 1,000,000	250,000 to 500,000	100,000 to 250,000	40,000 to 100,000
All building trades	$1. 52	$1. 30½	$1. 23½	$1. 12	$1. 04½
Journeymen	1. 64	1. 41½	1. 36	1. 25	1. 17½
Bricklayers	1. 85½	1. 57½	1. 56	1. 48½	1. 33
Carpenters	1. 61	1. 34½	1. 29½	1. 18	1. 10½
Cement finishers	1. 56½	1. 41	1. 33½	1. 24½	1. 22½
Electricians, inside wiremen	1. 71½	1. 48½	1. 44	1. 28	1. 16
Elevator constructors	1. 60	1. 53	1. 43½	1. 34	1. 17½
Engineers, portable and hoisting	1. 70½	1. 58	1. 45½	1. 29½	1. 29½
Machinists	1. 61½	1. 35½	1. 40½	1. 31½	(1)
Painters	1. 49½	1. 33	1. 21½	1. 09	. 95½
Paperhangers	1. 55½	1. 33½	1. 20	1. 09½	1. 05
Plasterers	1. 83½	1. 63	1. 52½	1. 45½	1. 30
Plumbers and gas fitters	1. 65½	1. 48	1. 43½	1. 31	1. 27½
Roofers, composition	1. 47	1. 24½	1. 21	1. 05½	. 98½
Sheet-metal workers	1. 64½	1. 37	1. 33	1. 24	1. 13½
Stonemasons	1. 58	1. 52	1. 51½	1. 46	1. 30
Structural-iron workers	1. 75½	1. 59½	1. 54	1. 42	1. 36
Helpers and laborers	1. 04½	. 85	. 76½	. 69½	. 66½
Building laborers	. 96½	. 78½	. 69½	. 63½	. 62½
Elevator constructors' helpers	1. 15½	1. 10½	1. 03½	. 94½	. 85
Hod carriers	1. 07	. 91½	. 84½	. 77	. 74
Steam fitters' helpers	1. 28½	. 87½	. 91	. 70	. 61½

[1] *No data available.*

Seventh National Conference on Labor Legislation

Strong opposition to any form of legislation designed to curb the workers' right to strike and a unanimous declaration that the success of the national defense program rests upon "the efficiency, health, and well-being of labor" were the outstanding features of the Seventh National Conference on Labor Legislation, which met in Washington, December 9–11, 1940. Called by the Secretary of Labor and attended by representatives of Governors of 41 States and Hawaii and Puerto Rico and by spokesmen for all groups of organized labor, the conference also urged the widespread strengthening of existing Federal and State labor standards.

A large portion of the 3-day session was devoted to a discussion of various phases of the national defense program and its bearing upon State and Federal labor legislation. The conference declared that laws designed to prohibit strikes "would by the very element of compulsion, introduce ill-will and suspicion in the place of cooperation, and would weaken rather than strengthen morale, and lessen rather than stimulate production for defense."

Extension of collective bargaining in industry and the voluntary establishment by workers and employers of joint machinery for the handling of grievances and the arbitration of unsettled disputes were recommended as the effective method of providing continuous operation in defense and other industries. It was unanimously recommended that unions and employers utilize fully the facilities of the Federal Conciliation Service and the conciliation and mediation boards of the various States before taking any action which would interrupt or curtail production of important materials and supplies.

The conference also discussed at length the need for legislation to prevent sabotage in defense industries which would at the same time properly safeguard the rights of labor. This could be accomplished if representatives of organized labor and of State and Federal labor departments are consulted in the preparation of this type of legislation.

Specific recommendations concerning the important problem of apprenticeship training and dilution of skills on the defense program included:

1. Provision for apprenticeship plans.

2. The development of standards in cooperation between management and labor, using joint committees at the State and local levels.

3. The establishment of wage rates to guarantee that the program is not used as a pretext for breaking down the wage standards of skilled workers.

The dangers of widespread unemployment and severe economic dislocation in many industries following the completion of defense production and the passage of the current emergency were pointed out to the delegates. The Secretary of Labor was requested to appoint a committee "to plan for the reabsorption and retraining of workers; to prevent a collapse of labor standards and social gains; and to maintain the Nation's economic stability during post-defense periods of transition."

The conference strongly recommended that the 43 State legislatures which meet in 1941 enact wage and hour laws to supplement and strengthen the Federal Fair Labor Standards Act. It was pointed out that large groups of workers are excluded from the Federal law and that many employers are protesting the severe and unfair competition of firms which purposely confine their production and sales within a single State in order to escape Federal regulation. A model bill outlining the provisions and suggesting the language which might be used in drafting a State wage and hour law, had been prepared by a standing committee of State labor commissioners and representatives of both the A. F. of L. and the C. I. O., and was submitted to the delegates of the conference for use in their respective States.

Further State action in cooperation with Federal efforts was urged to deal with the widespread problem of migratory labor. Specifically, the conference recommended wider use of public employment services, strict regulation of labor contractors and private employment agencies, extension of labor and social security legislation, improved facilities for housing migratory families employed in seasonal work, in agriculture, and other industries, and the development of programs to rehabilitate migrants and adjust them to the life of the community.

Many thousands of workers still are not protected by State workmen's compensation acts according to the report of the Committee on Industrial Health, Safety and Workmen's Com-

pensation. Some States permit employers to decide if they wish to be covered by the workmen's compensation act; other State laws exempt establishments employing less than a specified number of workers or exclude entire industries. The conference recommended that State workmen's compensation laws be made to apply to all employers and include the payment of benefits for occupational diseases as well as for accidents occurring within the plant. It also urged the adoption of more informal procedures by workmen's compensation boards or commissions and a strengthening of their power to regulate and control the fees of attorneys, doctors, and other persons involved in handling the workers' claim for compensation.

Other recommendations of the conference called for extending the coverage of State child labor laws, elimination of industrial home work, and strengthening and improving the services to wage earners by integrating and consolidating the administration of various laws and activities relating to labor under unified State departments of labor.

Business Profits and Losses, First 9 Months of 1940

Net profits of 725 manufacturing, mercantile, and public utility companies for the first 9 months of 1940 aggregated nearly $1,529,000,000. They were 37 percent larger than in the comparable period of 1939 and almost three times as large as in the first 9 months of 1938.

The most marked profit increases were recorded in industries manufacturing durable goods. The 27 steel companies included in the sample compiled by the Federal Reserve Bank of New York City more than tripled, and the railroad-equipment and the paper and paper products groups more than doubled their profits over the first 9 months of 1939.

Substantial increases were also recorded for such important industries as automobiles, automobile parts and accessories, aviation, petroleum, building supplies, and mining. Among the building-supply group of industries, hardware and plumbing companies more than doubled their 1939 profits. In the mining group, the copper companies reported a 55 percent increase in profits, and the 11 coal companies had aggregate 9-months profits of $4,400,000, as against a combined deficit of nearly $2,000,000 in the corresponding period of 1939.

A few groups—drugs and cosmetics, food products, motion pictures, and stores—had slightly smaller aggregate profits. Class I railroads, on the other hand, converted a deficit of $31,800,000 into a net income of $58,600,000. The income of telephone companies and other public utilities, covered by the study advanced slightly in 1940. They were also somewhat larger than the same companies reported for the first 9 months of 1937.

Earnings of 11 aviation companies included in the survey have increased markedly in recent years. Their profits for the first 9 months of 1940 were more than 5 times as large as for the similar period of 1937. Other groups which recorded higher profits in 1940 than in 1937 were textiles, paper and paper products, and foodstuffs.

Net profits and losses [1]

Corporation groups	Number of companies	First 9 months—	
		1939	1940
		Millions of dollars	*Millions of dollars*
Total	725	1,113.0	1,528.9
Advertising, printing and publishing	8	7.8	9.2
Automobiles	12	137.5	162.0
Auto parts and accessories	39	28.2	44.6
Aviation	11	19.6	36.9
Building supplies	30	30.0	41.3
Chemicals	28	94.2	114.4
Drugs and cosmetics	12	43.6	41.9
Electrical equipment	18	43.2	67.4
Food products	38	107.4	102.8
Machinery and tools	33	17.5	30.7
Mining	40	67.3	90.7
Motion pictures	5	7.5	5.3
Office equipment	7	10.4	12.2
Paper and paper products	14	5.2	12.6
Petroleum	27	52.5	78.8
Public utilities (*net income*)	65	182.9	190.9
Railroads, class I (*net income*)	137	−31.8	58.6
Railroad equipment	13	8.9	23.2
Steel	27	51.7	166.5
Stores	13	22.9	20.4
Telephone (*net operating income*)	94	177.4	180.4
Textiles	12	8.3	13.9
Tobacco (cigars)	5	2.6	3.3
Miscellaneous	37	18.2	20.9

[1] (—) *indicates losses.*

Larger Out-of-Work Benefits for Railroad Employees

Recent amendments to the Railroad Unemployment Insurance Act make it possible for railroad workers covered by that law to receive substantially larger unemployment benefits in the future if they become unemployed. Effective November 1, 1940, daily benefit payments and also the number of days for which benefits may be paid during the year have been increased. At the same time, the waiting period which unemployed railroad workers must satisfy before becoming eligible to receive benefits has been greatly reduced.

These changes were adopted by Congress after a year's operation of the law had revealed that for comparable periods of idleness the benefits paid under the Railroad Unemployment Insurance Act averaged considerably lower than benefit payments provided under most State unemployment insurance laws. For example, under the terms of the original law, benefits to railroad workers unemployed for a period of 15 days averaged about $18, whereas under various State unemployment insurance laws workers experiencing 14 consecutive days of unemployment averaged about $26.90 in benefits

Furthermore, the experience of the first year showed that a contribution rate of 3 percent of the pay roll by employers could support a much higher level of benefits. According to the Railroad Retirement Board, charged with administering railroad unemployment insurance as well as retirement annuities for railroad workers, nearly $65,500,000 had been collected under the provisions of the Railroad Unemployment Insurance Act by the end of September. During the same period slightly more than $14,800,000 had been disbursed in benefits. It is estimated by the Board that if the recently adopted amendments had been in effect during the first year, benefit payments to unemployed railroad workers would have totaled $23,700,000.

Reduced Waiting Period.—The original law provided that after serving an initial waiting period of a half month, unemployed railroad workers became eligible for daily benefits for all days of idleness in excess of 7 in any succeeding 15-day period. This meant that a total of 22 days had to elapse between the first day of unemployment and the first day for which unemployment benefits could be collected.

The amended law provides for the payment of benefits for all days of unemployment in excess of 7 in the first 14-day period of unemployment. In the second and all succeeding 14-day periods of unemployment during the year, benefits will be paid for each day of unemployment in excess of 4. Thus, a worker unemployed for 5 days during any 14-day period after the first period will receive benefits for 1 day. If unemployed for 6 days during the period, he is eligible for 2 days' benefits, and if out of work during the entire 14-day period, he gets unemployment benefits for 10 days.

Larger Daily Benefits.—The amendments also provide for increases ranging from 25 cents to $1 in the daily benefits payable to unemployed workers with annual incomes of more than $1,000 during the preceding calendar year. For example, unemployed railroad workers whose earnings during the base year are between $1,000 and $1,024 will get $3 per day in benefits instead of $2.50; those with a total pay during the base year of $1,600 and over will get $4 a day instead of the $3 daily benefits formerly provided.

The daily benefits for workers earning less than $1,000 remains unchanged. These rates range from $1.75 per day for unemployed workers with annual earnings from $150 to $199 to $2.50 per day for workers with yearly earnings from $750 to $999.

Increased Annual Benefits.—The amended Railroad Unemployment Insurance Act now provides that an employee can receive up to 100 days of benefit payments during the specified benefit year, which is designated as a period running from July of one year through June of the following year. The original law stipulated a maximum of 80 days for which benefits could be paid in any 12-month period.

Other Amendments.—Outstanding among the other changes in the law was a clarification of the method of calculating the unemployment claims of railroad workers paid on a mileage basis. Another change was a redefinition of self-employment so as not to disqualify from receiving benefits unemployed railroad workers who earn a few dollars a month serving as officers of local lodges of labor organizations, fraternal associations, building loan associations, etc.

Business and Economic Conditions in November 1940

National Income.—The Department of Commerce estimates that income payments in the United States in November slightly exceeded 6.2 billion dollars. Total income payments for 11 months of 1940 were placed at nearly 66.9 billion dollars or about 6 percent higher than in 1939.

Farm Income.—The November cash income of farmers including Government payments totaled $943,000,000 according to the Department of Agriculture. This compares with $1,126,000,000 in October and $884,000,000 in November 1939.

Automobiles.—Assemblies of passenger cars and trucks continued in large volume in November. Total output of 487,400 units was slightly smaller than October but 135,600 larger than in November of the preceding year.

Bituminous Coal.—The 40,300,000 tons of bituminous coal mined in November exceeded the October output by 1,500,000 tons, but was 3,000,000 tons below the November 1939 output.

Building Construction.—The value of permits issued for construction work in 2,105 cities declined from $332,600,000 in October to $259,200,000 in November. The same cities reported the issuance of permits aggregating $166,100,000 in November 1939.

Electric Power.—Output of electric power in November totaled 12,500 million kilowatt-hours. This compares with 12,817 million kilowatt-hours in the preceding month and 11,460 million kilowatt-hours in November, a year earlier.

Railroad Freight-Car Loadings.—Class I railroads handled on the average 756,000 cars of freight per week—a decrease of 61,500 cars per week compared with October, but an increase of 4,400 cars per week over November of last year.

Steel.—November production of steel ingots totaled 6,283,000 tons as against 6,462,000 tons in the preceding month and 6,148,000 tons in November 1939.

Trend of Industrial Production

Activity in the machinery and textile industries again rose substantially in November. Steel ingot production registered a further gain and automobile assemblies continued to be exceptionally large. Production of bituminous coal and most metals was also greater than in October, and output of lumber declined less than usual.

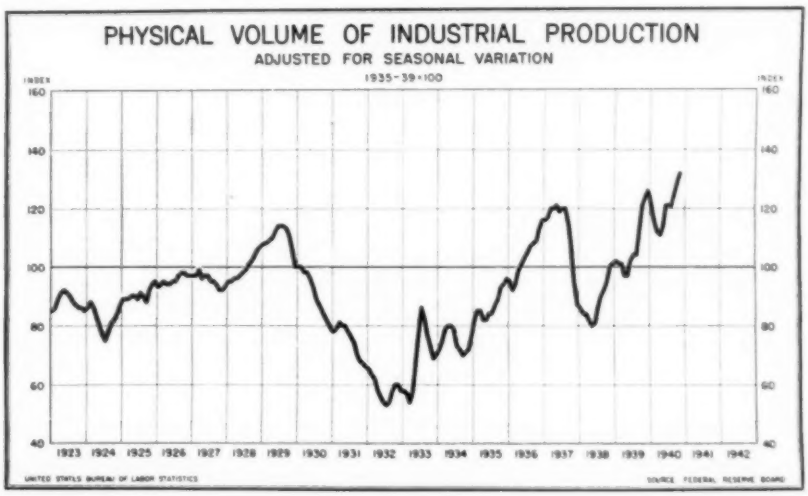
These and other widespread gains in the output of factories and mines brought the Federal Reserve Board's adjusted index of industrial production in November to 132. This was about 6 percent higher than in November 1939 and exceeded by almost one-third the average production during the 5-year period 1935–39.

Industrial Production
Adjusted Index

1935–39=100

1940	
November	[1] 132
October	129
September	125
August	121
July	121
June	121
May	114
April	111
March	112
February	116
January	122
1939	
December	126
November	124

[1] *Preliminary.*



Employment and Pay Rolls in November 1940

For the first time since 1929, nonagricultural employment registered an advance during the month of November. The average decline in November in the preceding 11 years has been about 400,000. This November employment increased by nearly 40,000. As a result, total nonagricultural employment, exclusive of the armed forces, rose to 36,535,000, or approximately 1,100,000 more than in November 1939.

Of the 157 durable- and nondurable-goods industries now surveyed monthly by the Bureau of Labor Statistics, 110 reported increased employment and 91 higher weekly pay rolls. Among the important advances in employment were gains of 13,600 in cotton goods, 12,800 in foundries, 11,200 in automobiles, and 10,400 in aircraft. Substantial increases were also reported in shipbuilding, machine tools, engines, and electric and steam railroad car-building.

Most of the reductions in factory employment in November were due to seasonal influences. The industries most affected were canning and preserving, millinery, boots and shoes, women's clothing, and beverages.

The approach of the Christmas holiday season added approximately 60,000 clerks and store hands in wholesale and retail trade. Employment on construction projects showed a small gain over October, as did employment in bituminous coal and anthracite mining. Transportation and utility companies, on the other hand, reported a reduction of 56,000 employees, and finance and miscellaneous services laid off approximately 19,000 workers. Employment in Federal, State, and local governments, excluding the armed forces, also declined slightly during the month.

DURABLE-GOODS INDUSTRIES

Employment.—About 95,500 additional workers found employment in durable-goods manufacturing in November. The largest employment increases were 32,100 in machinery manufacturing, 31,400 in transportation equipment, and 19,400 in iron and steel. Smaller gains were registered in all the remaining durable-goods groups.

Over half a million more workers were on the pay rolls of the durable-goods industries this November than in November 1939. The most sig-

Estimated employment and pay rolls in manufacturing industries

[November 1940, October 1940, and November 1939]

Industry	Number of workers employed			Amount of weekly pay roll		
	November 1940 [1]	October 1940 [2]	November 1939	November 1940 [1]	October 1940 [2]	November 1939
All industries	**8,736,200**	**8,685,500**	**8,202,000**	**$217,705,000**	**$217,179,000**	**$192,985,000**
Durable-goods groups [3]	*4,327,500*	*4,232,000*	*3,786,800*	*124,237,000*	*122,390,000*	*101,326,000*
Iron and steel	1,064,500	1,045,100	991,600	32,071,000	31,446,000	29,159,000
Machinery	1,159,000	1,126,900	983,300	35,526,000	34,621,000	27,896,000
Transportation equipment	816,000	784,600	585,200	28,744,000	28,073,000	18,374,000
Nonferrous metals	322,200	314,500	283,200	9,235,000	8,941,000	7,570,000
Lumber	678,400	677,400	664,400	12,939,000	13,485,000	12,584,000
Stone, clay, glass	310,800	306,400	299,600	7,271,000	7,350,000	7,004,000
Nondurable-goods groups	*4,408,700*	*4,453,500*	*4,415,200*	*93,468,000*	*94,789,000*	*91,659,000*
Textiles	1,715,300	1,702,600	1,754,700	29,189,000	29,529,000	29,373,000
Leather	281,000	291,300	297,300	4,777,000	5,127,000	4,970,000
Food	882,400	939,800	862,600	19,523,000	20,371,000	19,013,000
Tobacco	92,300	92,000	91,800	1,471,000	1,479,000	1,399,000
Paper and printing	628,500	624,900	623,900	17,154,000	17,131,000	16,976,000
Chemicals	415,100	415,200	406,200	11,582,000	11,547,000	11,028,000
Rubber	127,200	124,600	126,100	3,560,000	3,446,000	3,461,000
Unclassified	266,900	263,100	252,600	6,212,000	6,159,000	5,439,000

[1] *Preliminary.* [2] *Revised.*

[3] *Adjusted to actual levels shown by 1937 Census of Manufactures. Due to overlapping, the figures obtained by adding the separate group totals are somewhat larger.*

nificant increases were 230,300 in transportation equipment and 175,700 in machinery manufacturing. Other employment increases over the year interval were 72,900 in iron and steel, 39,000 in nonferrous metals, 14,000 in lumber, and 11,200 in stone, clay, and glass.

Weekly Pay Rolls.—The November 1940 total weekly pay roll for all durable-goods groups of industries combined rose approximately $1,850,000. With the exception of stone, clay, and glass and lumber groups, all durable-goods groups paid out larger sums in wages than in the preceding month.

Aggregate wage payments this November were $22,900,000 per week higher than in the corresponding month of 1939. Nearly half of this gain ($10,370,000) was recorded in the transportation-equipment group of industries.

NONDURABLE-GOODS INDUSTRIES

Employment.—A substantial reduction in the number of workers employed in foodstuffs together with a smaller decline in leather was more than sufficient to offset gains in the other nondurable-goods groups of industries. As a result, employment in nondurable-goods manufacturing declined 44,800 in November.

Slightly fewer workers were also employed in November 1940 than in November 1939 due to declines of 39,400 in textiles and 16,300 in leather. The other nondurable-goods groups reported gains in employment ranging from less than 1,000 in tobacco to 19,800 in foodstuffs.

Weekly Pay Rolls.—Most nondurable-goods groups of industries reported smaller weekly wage disbursements in November. The largest reductions amounted to $848,000 in foodstuffs, $350,000 in leather, and $340,000 in textiles. For all groups combined, the net decline was slightly more than $1,300,000 per week.

Total weekly pay rolls in nondurable-goods industries exceeded the level of November 1939 by about $1,800,000. The increases in total wage payments over the 12-month period varied in amounts from $72,000 per week in tobacco to $554,000 per week in chemicals and $773,000 per week in the unclassified industries.

Trend of Employment and Pay Rolls in Manufacturing Industries

A further increase in the number of factory workers in November raised the level of employment in manufacturing industries 6.5 percent above November 1939. The Bureau of Labor Statistics employment index stood at 110.7, as against 110.0 in the preceding month, 103.9 in November a year ago, and 100 for the period 1923–25.

Factory pay rolls were also slightly higher than in October. They averaged nearly 13 percent above November 1939. The Bureau's index shows that for every $1,000 paid out in factory wages in 1923–25, manufacturing industries disbursed $1,147 in November, compared with $1,145 in October, and $1,017 in November 1939.

Factory Pay-Roll Index

1923–25=100

1940	
November	[1] 114.7
October	114.5
September	110.0
August	103.8
July	96.5
June	97.9
May	96.3
April	96.3
March	98.2
February	97.8
January	98.3
1939	
December	103.7
November	101.7

[1] *Preliminary.*

Hours of Work and Earnings in Manufacturing Industries

The weekly working time of 38½ hours in manufacturing industries in November averaged slightly less than in the preceding month and about the same as in November 1939. Average hourly earnings of nearly 68 cents represented a small increase over October and a gain of 3 cents an hour compared with November a year ago. Weekly earnings for factory workers in November were, on the average, $26.95—approximately 15 cents per week less than in October but $1.50 per week more than in November 1939.

In the five selected durable- and nondurable-goods manufacturing industries average weekly hours of work and average hourly and weekly earnings in November 1940 were:

Durable-goods manufacturing

Weekly hours:
- 41.5 in foundries and machine shops.
- 40.0 in automobiles.
- 39.0 in blast furnaces and rolling mills.
- 37.5 in sawmills.
- 37.5 in brick manufacturing.

Hourly earnings (in cents):
- 95.5 in automobiles.
- 86.0 in blast furnaces and rolling mills.
- 74.5 in foundries and machine shops.
- 57.0 in brick manufacturing.
- 50.5 in sawmills.

Weekly earnings:
- $38.10 in automobiles.
- $33.45 in blast furnaces and rolling mills.
- $31.00 in foundries and machine shops.
- $21.45 in brick manufacturing.
- $19.05 in sawmills.

Nondurable-goods manufacturing

Weekly hours:
- 40.0 in paper and pulp.
- 39.0 in slaughtering and meat packing.
- 37.0 in cotton-goods manufacturing.
- 36.5 in tires and inner tubes.
- 35.5 in petroleum refining.

Hourly earnings (in cents):
- 97.5 in petroleum refining.
- 97.0 in tires and inner tubes.
- 68.5 in slaughtering and meat packing.
- 65.5 in paper and pulp.
- 41.0 in cotton-goods manufacturing.

Weekly earnings:
- $35.30 in tires and inner tubes.
- $34.30 in petroleum refining.
- $26.80 in slaughtering and meat packing.
- $26.35 in paper and pulp.
- $15.25 in cotton-goods manufacturing.

Employment, Pay Rolls, Wages, and Hours in Selected Nonmanufacturing Industries

Item	November 1940 [1]	Increase or decrease: October 1940 to November 1940	Increase or decrease: November 1939 to November 1940
Retail trade		*Percent*	*Percent*
Employment	3,676,300	+1.8	+2.9
Weekly pay roll	$76,172,000	+1.3	+3.9
Weekly hours	42.5	−.9	[2]
Hourly earnings	$0.53	+.3	[2]
Weekly earnings	$20.70	−.5	+1.0
Wholesale trade			
Employment	1,475,000	+1.0	−.2
Weekly pay roll	$46,657,000	+.5	+1.9
Weekly hours	40.5	−1.4	−1.7
Hourly earnings	$0.75	+.9	+4.2
Weekly earnings	$30.45	−.5	+2.2
Bituminous coal			
Employment	412,800	+.8	−5.2
Weekly pay roll	$9,352,000	+1.1	−12.2
Weekly hours	28.5	+.8	−7.9
Hourly earnings	$0.89	−.1	−.5
Weekly earnings	$25.10	+.3	−7.4
Metal mining			
Employment	80,200	+.4	+9.7
Weekly pay roll	$2,322,000	−.8	+10.8
Weekly hours	41.0	−2.2	−1.3
Hourly earnings	$0.74	+1.0	+2.5
Weekly earnings	$30.40	−1.2	+1.1
Telephone and telegraph			
Employment	398,800	+.1	+4.0
Weekly pay roll	$12,844,000	−.7	+5.6
Weekly hours	39.5	−.3	−.9
Hourly earnings	$0.81	−.4	−1.0
Weekly earnings	$31.60	−.8	+1.5
Power and light			
Employment	251,400	−.7	+1.5
Weekly pay roll	$8,827,000	−.9	+3.4
Weekly hours	39.5	−1.6	−1.1
Hourly earnings	$0.89	+1.1	+2.8
Weekly earnings	$35.30	−.2	+1.9
Street railways and busses			
Employment	192,500	−.1	−1.0
Weekly pay roll	$6,536,000	−.7	+1.2
Weekly hours	45.5	−.5	+1.0
Hourly earnings	$0.72	−.2	+1.6
Weekly earnings	$33.45	−.6	+2.3
Hotels			
Employment	269,900	−1.1	+.7
Weekly pay roll	$4,151,000	−.5	+2.3
Weekly hours	46.5	−.1	+.5
Hourly earnings	$0.33	+.5	+1.6
Weekly earnings	$15.65	+.5	+1.6
Laundries			
Employment	229,900	−.7	+4.1
Weekly pay roll	$3,800,000	−.8	+5.4
Weekly hours	42.0	−.8	−.5
Hourly earnings	$0.43	+1.0	+1.9
Weekly earnings	$18.15	−.1	+1.2
Dyeing and cleaning			
Employment	62,200	−2.9	+8.6
Weekly pay roll	$1,126,000	−5.3	+10.2
Weekly hours	42.0	−2.4	+1.4
Hourly earnings	$0.49	+.4	−.1
Weekly earnings	$20.10	−2.5	+1.4

[1] *Preliminary.* [2] *Not available.*

Government Employment and Relief in November 1940

Work Projects.—November recorded a small increase in the number of W. P. A. workers. Employment for the month estimated at approximately 1,746,000 represented an increase of 34,000 over the preceding month. Wage payments to workers on these projects operated by the Work Projects Administration aggregated $90,900,000—a decline of nearly $8,500,000 compared with October.

Construction Projects.—Employment and earnings at the site of construction on Government projects in November were:

Project	Employment	Earnings
All construction projects	796, 900	$79, 562, 000
Regular Federal Government appropriations	640, 000	66, 800, 000
Financed by Work Projects Administration	73, 000	3, 470, 000
United States Housing Authority	51, 000	5, 500, 000
Public Works Administration	31, 100	3, 600, 000
Reconstruction Finance Corporation	1, 800	192, 000

C. C. C. and N. Y. A.—Approximately 321,000 enrolled workers, camp supervisors, and instructors in the Civilian Conservation Corps earned $14,000,000 in wages in November. The National Youth Administration provided jobs to about 700,000 boys and girls in November at a total pay roll of $8,600,000.

General Relief.—Reports from 114 urban areas to the Social Security Board indicate that about 631,800 families and single persons received $18,825,000 in relief from public funds in November. This was a small decline in both cases and funds disbursed compared with October.

Federal Service.—Employment and earnings in the Federal Government in November were:

Service	Employment	Earnings
Executive [1]	1, 112, 000	$168, 400, 000
Military	822, 000	52, 800, 000
Legislative	5, 900	1, 300, 000
Judicial	2, 900	670, 000

[1] *Includes about 164,000 force account, supervisory, and technical employees with a total pay roll of $22,900,000 shown under other classifications.*

Trend in the Cost of Living in December 1940

Wage earners and salaried employees in the United States still have a vivid recollection of what happened to the cost of living as a result of the rapidly mounting retail prices during the first World War. Many of them remember the meatless and wheatless days and the sugar shortages in the summer and fall of 1918 as well as the "high cost of living" which cut the value of the consumer's dollar in half between 1915 and 1920. They had a sample of what might happen in September 1939 at the beginning of the present European war when retail prices of certain food items, particularly of sugar, began to shoot upward. Within 2 weeks the average level of retail food prices in the United States was 5 percent higher than it had been a month earlier.

However, this sharp rise in food prices was not accompanied to any significant degree by rises in other retail markets. Nor did it last long. By December 1939 the early speculative impulse had largely run its course and food prices dropped to only about 1.5 percent above the midsummer levels. Clothing and certain housefurnishings, however, began to move up reflecting the earlier rises in the cost of silk, wool, and cotton yarn.

Since the beginning of 1940, the trend of retail prices of consumer goods has been very mixed. The index of the cost of living rose somewhat during the first half of the year, largely reflecting the advance in wholesale markets in the preceding fall; it then declined from June to November, following the broad downswing of wholesale prices which had occurred between January and August of 1940. At no time did this index quite reach its peak of September 1939.

Most of the increases in food costs which occurred after the early scare buying in September subsided because of domestic conditions. Average food costs during December 1940 were about 2.5 percent above their level in the summer of 1939.

The second most important item in the consumer's budget—rents—is almost wholly a local

matter. Taking the large cities of the country as a whole, rents for all types of houses increased by less than half of 1 percent from June 1939 to December 1940. However, in many areas where defense orders are large, there have been substantial advances ranging from $2.50 to $5 a month for the lower-priced houses renting for less than $30 a month. This represents an increase of from 8 to 16 percent.

The average price level of clothing has moved up about 1.5 percent since the outbreak of the war. The largest price advances at retail so far, ranging from 5 to 10 percent in some cities, have been for woolen garments including men's suits, overcoats and sweaters, and women's coats. Certain types of cotton clothing, particularly work clothing also advanced in price because facilities used in producing these garments have been partly diverted to defense orders.

Among the principal housefurnishings, prices of carpets and rugs, which are made almost entirely from imported wool, have gone up by about 15 percent. Furniture prices, too, have recently begun to go up in some cities, partly because of higher costs of hardwoods, fabrics, and other special upholstery materials.

All in all, the rise in living costs in the United States since the outbreak of war in Europe has been very moderate, particularly in view of the low level of food prices during the period before hostilities started. While it seems probable that living costs, as a whole, will advance slightly in the next few months, there is no indication that this increase should amount to more than 2 or 3 percent by the spring of 1941.

Cost of living in 20 large cities

Area and city	Index as of Dec. 15, 1940 (1935-39=100)	Percentage increase (+) or decrease (−)	
		Nov. 15, 1940, to Dec. 15, 1940	Aug. 15, 1939, to Dec. 15, 1940
Average for 33 cities	100.7	+0.6	+2.1
North Atlantic:			
Boston	99.0	+.5	+2.0
Buffalo	101.6	+.7	+3.1
New York	100.9	+.5	+1.9
Philadelphia	99.0	+.2	+1.2
Pittsburgh	101.1	+.5	+2.7
South Atlantic:			
Baltimore	100.5	+.7	+1.8
Savannah	101.5	+.7	+2.2
North Central:			
Chicago	101.0	+.5	+2.3
Cincinnati	99.6	+.5	+2.4
Cleveland	102.0	+.8	+2.0
Detroit	100.9	+.5	+2.4
Kansas City	98.6	+.3	(1)
Minneapolis	102.2	+1.1	+2.5
St. Louis	101.0	+1.3	+3.0
South Central:			
Birmingham	101.7	+1.2	+3.2
Houston	102.2	+1.4	+1.5
Western:			
Denver	100.2	+1.2	+1.6
Los Angeles	102.2	+.3	+1.7
San Francisco	101.6	(1)	+2.3
Seattle	102.0	+.4	+1.7

[1] *No change.*

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+2.1
+2.0
+3.1
+1.9
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+2.7
+1.8
+2.2
+2.3
+2.4
+2.0
+2.4
(1)
+2.5
+3.0
+3.2
+1.5
+1.6
+1.7
+2.3
+1.7